

Tax Increment Financing (TIF) Proposed Agreements for 75 Concord Street & 266 Waverly Street

Board of Selectmen
February 7, 2017

Arthur P. Robert
Director, Community & Economic Development



AGENDA

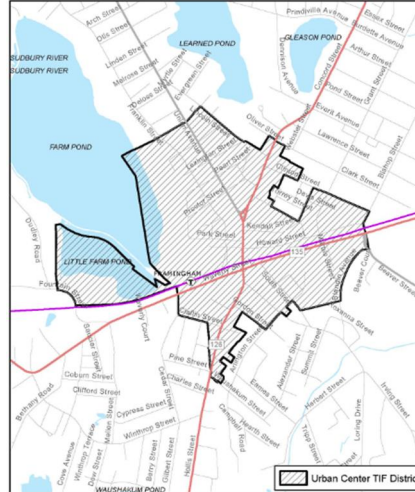
- “ Article 1: UCH-TIF Plan & Zone
- “ Articles 2 & 3: TIF Agreements
 - TOD Opportunities - 75 Concord Street & 266 Waverly Street
 - Key Components in Both Agreements
 - Partnering to remove investment barriers
 - Protecting the Town's Interests
 - Differences between the two agreements
- “ Questions and Answers



Article 1: UCH-TIF PLAN

Major Elements Required by DHCD:

- " Executive Summary
- " Objectives
- " Parcel Descriptions, Coverage & Zoning
- " UCH-TIF Zone
- " Specifications – development & useful life
- " Compliance with zoning
- " Schedule & cost of public construction
- " Affordable housing
- " UCH-TIF agreements



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TWO TOD OPPORTUNITIES



75 Concord Street – Alta Framingham
Wood Partners



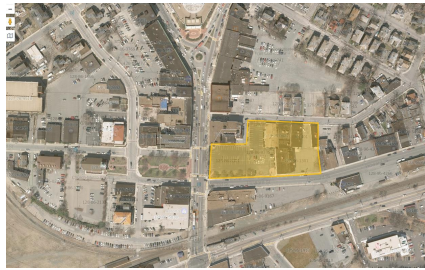
266 Waverly Street – Modera Framingham
Mill Creek Residential Trust



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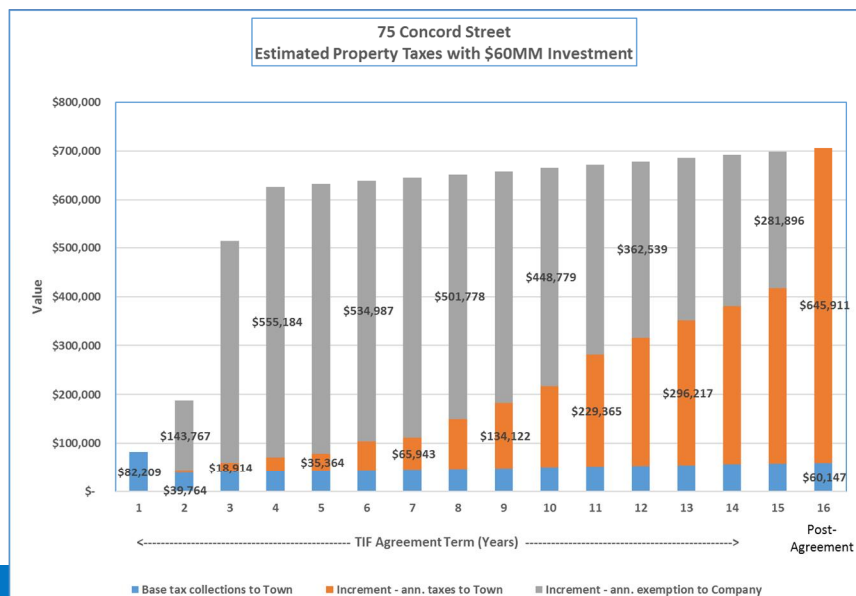
ARTICLE 2: 75 CONCORD STREET

Investment	Est. \$60MM
Type	Mixed Use, w/ ~2.6K SF Retail
Units & Mix	197
Studio	0%
1BR	70%
2BR	30%
3 BR	0%
Affordable	20
Stage	Due Diligence, PB in late FEB 2017
Challenges	First Mover in Untested Market Geotechnical Mitigation Parcel Aggregation Retail component
Other	Presented to Tech Review Team on 12/22/16
Status	Agreed in principle to est. \$5.9MM TIF exemption, w/ 15-year term



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75 CONCORD: Tax Collections with UCH-TIF Driven Investment



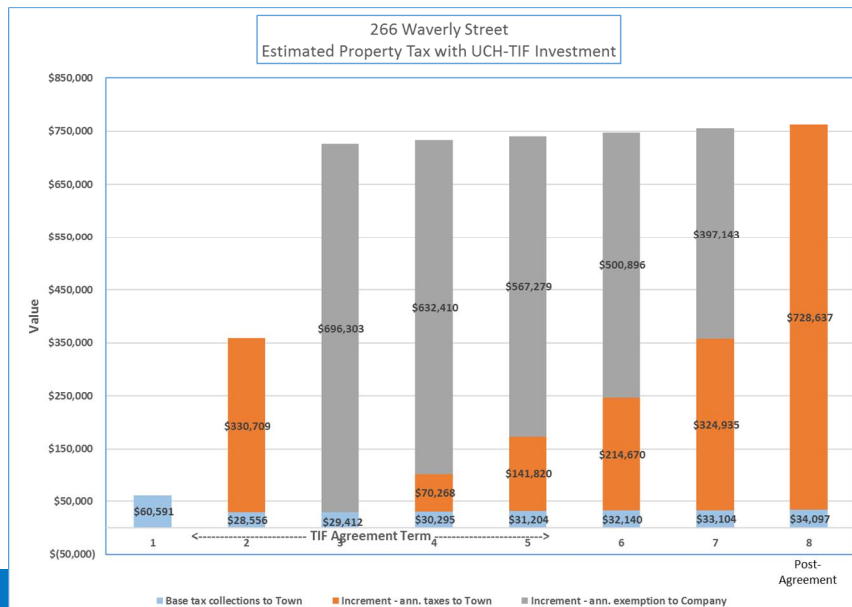
ARTICLE 3: 266 WAVERLY STREET

Investment	\$73MM
Type	Multifamily
Units & Mix	270
Studio	11%
1BR	35%
2BR	44%
3 BR	9%
Affordable	27
Stage	Permitted
Challenges	First Mover in untested market Major Investment South of Waverly Street, Greater Distance to Transit
Other	Easement to widen Marble Street, near Blandin Ave.
Status	Agreed in principle to est. \$2.8MM, TIF w/ 7-year term



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266 WAVERLY: Tax Collections with UCH-TIF Driven Investment



COMMON AGREEMENT ELEMENTS

DESCRIPTIONS

- “ Legal descriptions of the properties involved
- “ Description of the project
- “ Affirms the project’s contribution to the Town’s policy to create a mixed-use walkable downtown with residential

LEGAL MECHANISMS

- “ Location in the UCH-TIF Zone
- “ Signed by Selectmen & Town Counsel
- “ Contingent on STM, DHCD approval of UCH-TIF Plan, Zone, and TIF Agreements
- “ Provisions in the language for either Selectmen or City Council depending on charter vote in April



COMMON AGREEMENT ELEMENTS

FINANCIAL TERMS

- “ Includes individual TIF Exemption Schedules
Includes an Expiration Date
- “ Includes 10% affordability commitment in perpetuity – which carries through if they sell the building
- “ No exemptions for personal property



COMMON AGREEMENT ELEMENTS

PROPERTY

- “ Sale/Assignment
 - . Notice to the Town 45 days before the property can be sold
 - . Town right of refusal, through construction, final cert. of occupancy, & 80% leaseup
- “ Provisions for managing default
 - . Probationary period – 90 days
 - . Terms for reimbursement of the TIF exemption
- “ Abatement – limits on access



COMMON AGREEMENT ELEMENTS

CONSTRUCTION and MAINTENANCE TERMS

- “ Construction within one year of building permit issuance
- “ Maintain the property so it is safe and sanitary
- “ Specified number of units of affordable housing
 - . ensure income eligibility and occupancy limits
 - . establishes penalties for non-compliance



DIFFERENCES in AGREEMENTS

75 Concord – Wood Partners

- " 15 Year Term
- " Base Year: 2018
- " End Year: 2032
- " Base assessment¹: \$2,613,100 (only \$2,185,500 is currently taxable)
- " Abatement: limited access through year 10

¹ Base year tax assessment set at assessed value of the property for Fiscal Year ending June 30, 2017.

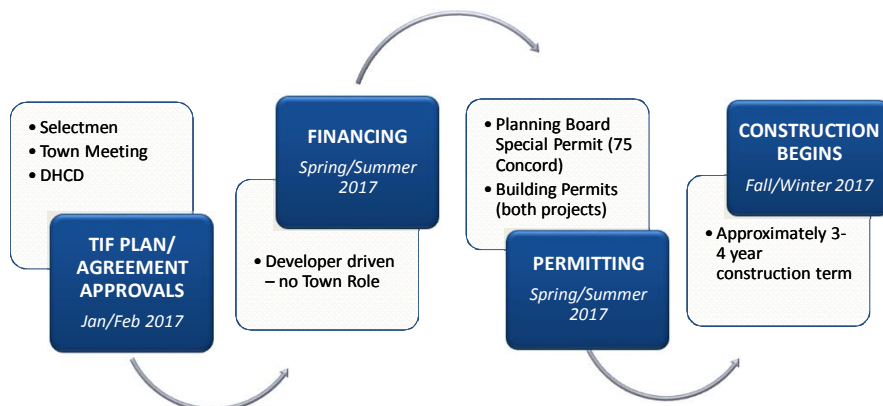
266 Waverly – Mill Creek

- " 7-8² Year Term
- " Base Year²: 2018
- " End Year²: 2024
- " Base assessment¹: \$1,610,800
- " Provision for easement for Marble Street
- " Abatement: limited access in years 3 – 7

²Construction Delay provision for project to move one year into the future if financing cannot be secured by specific date

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EXPECTED TIMELINE



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QUESTIONS?

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